

**DOMINION GLASS COMPANY LIMITED**

APR - 1 1970

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that the Annual General Meeting of the Shareholders of Dominion Glass Company Limited will be held in Conference Room 3, Montreal Board of Trade, 5th floor, 1080 Beaver Hall Hill, Montreal, on Thursday, the 30th day of April 1970, at 10 o'clock in the forenoon, for the following purposes:-

- (i) to receive the report of the Directors, the consolidated financial statements of the Company for the twelve month fiscal period ended 31st December, 1969 and the report of the Auditors thereon;

- (ii) to elect Directors;
- (iii) to appoint Auditors;
- (iv) to authorize the Directors to fix the remuneration of the Auditors;
- (v) to transact any other business which may properly come before the Meeting.

By order of the Board,

T.B. King,  
Secretary.

Montreal, Canada  
18th March 1970.

**IF YOU ARE UNABLE TO BE PRESENT AT THE MEETING, PLEASE  
EXECUTE AND DATE THE ENCLOSED FORM OF PROXY, AND RETURN**

## INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies for use at the Annual General Meeting of the Shareholders of the Company to be held on Thursday, 30th April, 1970, at the place and time and for the purposes set forth in the Notice of Meeting. The Information herein contained is given as of 18th March, 1970.

### Right of Revocation

A shareholder who executes and returns the Instrument of Proxy may revoke the same at any time before it is voted.

### Solicitation of Proxies

THE EXECUTION AND RETURN OF THE ENCLOSED INSTRUMENT OF PROXY IS SOLICITED BY THE MANAGEMENT OF THE COMPANY. The management does not contemplate solicitation of proxies otherwise than by the mails, the cost of which will be borne by the Company.

### Voting Shares and Principal Holders Thereof

Holders of Preferred and Common shares of record at the time of the Annual General Meeting will be entitled to one vote, for each share held, at such meeting, and at any adjournment thereof. At the close of business on 18th March, 1970 there were 249,245 Preferred shares and 2,135,755 Common shares issued and outstanding. Power Corporation of Canada, Limited is the beneficial owner of 11,000 Preferred and 1,348,341 Common shares of the Company.

### Remuneration of Directors and Senior Officers

The following information is given for

the twelve-month fiscal period ending 31st December, 1969, with respect to directors and senior officers of the Company as a group.

Aggregate direct remuneration paid by the Company and its subsidiaries whose financial statements are consolidated with those of the Company . . . . .	\$181,667
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Approximate aggregate cost to the Company and its Subsidiaries of normal pension benefits . . . . .	\$ 3,431
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Aggregate cost to the Company and its Subsidiaries of any existing plan or arrangement . . . . .	Nil
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Approximate proposed cost to the Company and its Subsidiaries of any existing plan or arrangement for 12 months commencing 1st January, 1970 . . . . .	Nil
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### Election of Directors

The By-laws of the Company provide that the Board of Directors shall consist of eleven directors to be elected annually. The term of office of each director so elected expires upon the election of his successor, unless he shall resign or his office becomes vacant by death or other cause. The shares represented by proxies in the form enclosed herewith will be voted for the election of eleven directors. It is proposed to nominate for election as directors of the Company, the eleven hereinafter named.

Nominees and Principal Occupations	Director Since	Approximate number of Equity Shares of the Company and its Subsidiaries Beneficially owned Directly or indirectly, as of 18th March 1970.	
		Name of Company	Approximate Number of Shares
Roland Chagnon, President, Lallemand Inc.	November 1963	Dominion Glass Company Limited	250 Common
H. Roy Crabtree, Chairman and President, Wabasso Limited	September 1966	Dominion Glass Company Limited	100 Common
Richard A. Irwin, President and Chief Executive Officer, Consolidated-Bathurst Limited	May 1967	Dominion Glass Company Limited	101 Common
Herbert H. Lank, Director Du Pont of Canada, Limited	June 1967	Dominion Glass Company Limited	1,000 Common
Paul Britton Paine, Q.C., Vice-President and General Counsel, Power Corporation of Canada, Limited	May 1967	Dominion Glass Company Limited	1 Common
Jean Parisien, Executive Vice-President, Power Corporation of Canada, Limited	October 1968	Dominion Glass Company Limited	100 Common
Elmer A. Thompson, President and Chief Executive Officer of the Company	October 1967	Dominion Glass Company Limited	4,915 Common
Peter N. Thomson, Deputy Chairman, Power Corporation of Canada, Limited	May 1967	Dominion Glass Company Limited	500 Common
Harold M. Turner, Chairman, Mutual Life Assurance Company of Canada	January 1954	Dominion Glass Company Limited	50 Common
William I.M. Turner, Jr., President, Power Corporation of Canada, Limited	May 1967	Dominion Glass Company Limited	1 Common 100 Preferred
John R. Yarnell, Vice-President, Consolidated-Bathurst Limited	May 1967	Dominion Glass Company Limited	1 Common

### **Appointment of Auditors**

Messrs. Touche Ross & Co., Chartered Accountants are the Auditors of the Company and have held such position for a period in excess of the five preceding years. It is proposed by the management of the Company that such firm be reappointed the Auditors of the Company at the Annual General Meeting.

### **Designation of Proxy**

The persons named in the enclosed Instrument of Proxy have indicated to the Company their willingness to represent as proxy, shareholders desiring to so appoint them. IF, HOWEVER, A SHAREHOLDER DESIRES TO APPOINT AS PROXY A PERSON OTHER THAN THOSE DESIGNATED, HE SHOULD STRIKE OUT THE NAMES OF THE PERSONS DESIGNATED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS REPRESENTATIVE ON THE FACE OF THE PROXY. A person acting as proxy need not be a shareholder of the Company.

### **Voting of Shares Represented by Management Proxy**

The accompanying Instrument of Proxy confers discretionary voting authority upon those persons designated therein. It is intended that the shares represented by all such Instruments of Proxy received by the Company shall be voted in favour of :

— the report of the Directors, the consolidated financial statements of the Company for the fiscal year ended 31st December, 1969 and the report of the Auditors thereon;

— the election as Directors of the Company of the persons designated in this Information Circular as nominees for election as Directors of the Company. The management of the Company assumes the right of discretionary authority to vote the proxies for any substitute nominee or nominees which in its discretion the management may select; and

— the appointment of Messrs. Touche Ross & Co., Chartered Accountants, as the Auditors of the Company, and with authorization to the Board of Directors to fix the remuneration of the Auditors.

The management has no present knowledge that any matter other than that referred to in the Notice of Meeting will be presented for consideration at the meeting. However, if any other matter should properly come before the meeting, it is intended that the person voting shall assume discretionary authority to vote same with his best judgment.

By Order of the Board,

T.B. King,  
Secretary.

Montreal, Canada  
18th March 1970.

#### Nomination des vérificateurs

MM. Touche Ross & Cie, comptables agréés, sont les vérificateurs de la compagnie et détiennent ce poste depuis plus de cinq ans. La direction de la compagnie propose qu'ils soient de nouveau nommés vérificateurs de la compagnie à l'assemblée générale annuelle.

#### Désignation des mandataires

Les personnes mentionnées dans la formule de procuration ci-incluse ont fait part à la compagnie qu'elles consentaient à être les mandataires des actionnaires qui désignent les désigner à cet effet. TOUTEFOIS, L'ACTIONNAIRE QUI DÉSIRE NOMMER COMME MANDATAIRE UNE PERSONNE AUTRE QUE CELLES DÉSIGNÉES DOIT RAYER LES NOMS DES PERSONNES DÉSIGNÉES SUR LA FORMULE DE PROCURATION ET INSCRIRE AU RECTO DE LA PROCURATION LE NOM DE SON MANDATAIRE. Le mandataire ne doit pas être nécessairement actionnaire de la compagnie.

#### Participation au vote des actions représentées par les mandataires désignés par la direction

La procuration ci-incluse accorde la liberté de voter selon leur bon plaisir aux personnes qui y sont désignées. On se propose que le vote attaché aux actions représen-

tées par toutes les procurations de cette nature que recevra la compagnie soit donné en faveur de ce qui suit :

— le rapport des administrateurs, les états financiers consolidés de la compagnie pour l'exercice terminé le 31 décembre 1969 et le rapport des vérificateurs qui s'y rattache;

— et l'élection comme administrateurs de la compagnie des personnes mentionnées dans la présente circulaire de renseignements comme candidats à l'élection. La direction de la compagnie a le droit, à son gré, de faire voter en vertu des procurations tout mandataire suppléant ou tous mandataires suppléants qu'elle jugera bon de choisir; et — la nomination de MM. Touche Ross & Cie, comptables agréés, comme vérificateurs de la compagnie, dont le conseil d'administration sera autorisé à établir la rémunération.

La direction n'est pas au courant à l'heure actuelle que quelque question autre que celles mentionnées dans l'avis de convocation doit être soumise à l'assemblée. Toutefois, si quelque autre question est soumise en bonne forme à l'assemblée, il est prévu que la personne qui vote aura entière liberté de le faire selon son bon jugement.

Par ordre du conseil d'administration,

Le secrétaire,  
T.B. King.

Montréal, Canada  
le 18 mars 1970.

Nombre approximatif d'actions de la compagnie et de ses filiales dont il était le détenteur réel directement ou indirectement au 18 mars 1970.

Nom de la Compagnie	Nombre approxi- matif d'actions	Leurs occupations désignées et Administrateur depuis	
		1970.	
Roland Chagnon, président, Lallemand Inc.	250 ordinaires	Novembre 1963	Dominion Glass Company Limited
H. Roy Crabtree, président du conseil et président de Wabasso Limitée	100 ordinaires	Septembre 1966	Dominion Glass Company Limited
Richard A. Irwin, président et premier officier exécutif, Consolidated-Bathurst Limitée	101 ordinaires	Mai 1967	Dominion Glass Company Limited
Herbert H. Lank, membre du conseil de DuPont du Canada Limitée	1,000 ordinaires	Juin 1967	Dominion Glass Company Limited
Paul Britton Paine, C.R., vice-président et conseiller légal, Power Corporation of Canada, Limited	1 ordinaire	Mai 1967	Dominion Glass Company Limited
Jean Parisien, vice-président exécutif, Power Corporation of Canada, Limited	100 ordinaires	Octobre 1968	Dominion Glass Company Limited
Elmer A. Thompson, président et premier officier exécutif de la compagnie	4,915 ordinaires	Octobre 1967	Dominion Glass Company Limited
Peter N. Thomson, vice-président du conseil, Power Corporation of Canada, Limited	500 ordinaires	Mai 1967	Dominion Glass Company Limited
Harold M. Turner, président du conseil, La Mutual Life Compagnie d'Assurance du Canada	50 ordinaires	Janvier 1954	Dominion Glass Company Limited
William I. M. Turner, Jr., président, Power Corporation of Canada, Limited	1 ordinaire 100 privilégiées	Mai 1967	Dominion Glass Company Limited
John R. Yarnell, vice-président, Consolidated-Bathurst Limitée	1 ordinaire	Mai 1967	Dominion Glass Company Limited

# CIRCULAIRE DE RENSEIGNEMENTS

bre 1969 et à l'ensemble des administrateurs et dirigeants de la compagnie.

Rémunération directe totale versée par la compagnie et ses filiales dont les états financiers sont consolidés avec ceux de la compagnie. . . . \$181,667

Coût approximatif total pour la compagnie et ses filiales des avantages normaux de pension . . . . \$ 3,431

Coût approximatif total pour la compagnie et ses filiales de tout régime actuel ou de toute disposition actuelle Néant

Coût approximatif projeté pour la compagnie et ses filiales de tout régime existante, pour la période de 12 mois à compter du 1er janvier 1970. . . . Néant

## Election des administrateurs

Les statuts de la compagnie prévoient que le conseil d'administration sera formé de onze administrateurs élus chaque année. Le mandat de chaque administrateur ainsi élu prend fin à l'élection de son successeur, à moins qu'il ne démissionne ou que son poste ne devienne vacant par suite de décès ou pour quelque autre cause. Les actions représentées par procurations selon la formule ci-incluse participeront au vote pour l'élection de onze des administrateurs de la compagnie. On se propose de présenter comme administrateurs de la compagnie lors de l'élection les onze candidats suivants:

La présente circulaire de renseignements vous est fournie en rapport avec la demande de procuration destinée à l'assemblée générale annuelle des actionnaires de la compagnie, qui doit avoir lieu le jeudi, 30 avril 1970, à l'endroit, à l'heure et aux fins que mentionne l'avis de convocation. Les renseignements ici présentés sont en date du 18 mars 1970.

## Droit d'annulation

L'actionnaire qui signe et retourne la procuration peut l'annuler en tout temps avant le vote.

## Demande de procurations

LA DIRECTION DE LA COMPAGNIE VOUS PRIE DE SIGNER ET DE RETOURNER LA PROCURATION CI-INCLUSE. La direction ne se propose pas de demander de procuration autrement que par le courtier, et c'est la compagnie qui en assumera les frais.

## Les actions participant au vote et leurs principaux détenteurs

Les détenteurs d'actions privilégiées et ordinaires inscrites au moment de l'assemblée générale annuelle auront droit à un vote par action détenue, à cette assemblée et à toute continuation de celle-ci. À la clôture des affaires le 18 mars 1970, il y avait 249,245 actions privilégiées et 2,135,755 actions ordinaires émises et en circulation. Power Corporation of Canada, Limited est le détenteur réel de 11,000 actions privilégiées et de 1,348,341 actions ordinaires de la compagnie.

## Rémunération des administrateurs et dirigeants

Les renseignements ci-dessous s'appliquent à l'exercice financier terminé le 31 décembre-



## DOMINION GLASS COMPANY LIMITED

### AVIS D'ASSEMBLÉE GÉNÉRALE ANNUELLE DES ACTIONNAIRES

Avis est par les présentes donné qu'une assemblée générale annuelle des actionnaires de Dominion Glass Company Limited se tiendra en la salle de conférence #3, Chambre de Commerce, au 5e étage, 1080 côte du Beaver Hall, à Montréal, le jeudi 30 avril 1970, à 10 heures du matin, aux fins suivantes :

(i) recevoir le rapport des administrateurs, les états financiers consolidés de la compagnie pour l'exercice finissant de douze mois clos le 31 décembre 1969, et le rapport des vérificateurs qui s'y rattache ;

(ii) élire les administrateurs;

(iii) nommer les vérificateurs;

(iv) autoriser les administrateurs à fixer la rémunération des vérificateurs;

(v) expédier toute autre affaire dont l'asssemblée pourrait être régulièrement saisie.

Par ordre du conseil d'administration

Le secrétaire,  
T.B. King.

Montréal, Canada  
le 18 mars 1970

SI VOUS NE POUVEZ PAS ASSISTER À L'ASSEMBLÉE EN PERSONNE, PRIÈRE DE SIGNER, DATER ET RETOURNER LA FORMULE DE PROCURATION CI-INCLUSE



# DOMINION GLASS COMPANY LIMITED

and Subsidiary Companies

## INTERIM REPORT TO SHAREHOLDERS

For the Six Months Ended June 30, 1970

Included in this report is an unaudited Statement of Consolidated Income and Statement of Source and Application of Funds for the six months ending June 30th, 1970, with comparative figures for the same period in 1969.

Sales during the second quarter of 1970 were at a record level of \$19,979,177, an increase of 18% over sales in the same period last year. This brought total sales for the six months ending June 30th, 1970, to \$36,514,203, which was an increase of 9.9% from the first half of 1969. Improved sales of plastic containers and the consolidation of sales of the recently acquired subsidiary, National Pressed Glass Limited, contributed to this sales increase.

Net income after tax during the second quarter of 1970 also improved to \$951,796 or 42¢ per common share, compared to \$790,036 or 35¢ per common share in the same period in 1969. This improvement helped to offset the drop in first quarter earnings so that net income for the first half of 1970 totalled \$1,164,652 equivalent to 50¢ per common share, compared to \$1,445,284 or 64¢ per share in 1969. The results of the first quarter in 1970 were adversely affected by heavy increases in labour rates and material costs and by a delay until March 1st, at the request of the Prices and Incomes Commission, of a proposed price increase to partially offset these costs.

The increase in sales, particularly in the second quarter, indicates the improved productive capability available as a result of recent capital expenditures. Further improvement can be expected as the new plant at Bramalea is started up on schedule in the fall of this year. Second half earnings should show seasonal improvement over the first half of 1970.

Regular dividends on the preferred shares have been provided during the first six months of 1970.

W. I. M. TURNER, JR.,  
Chairman of the Board,  
E. A. THOMPSON  
President and Chief Executive Officer.

## Statement of Consolidated Income (Unaudited)

For the Six Months Ending June 30

	1970	1969
<b>SALES</b> . . . . .	<b>\$36,514,203</b>	<b>\$33,229,188</b>
Cost of Sales . . . . .	\$31,628,546	\$28,296,472
Depreciation and Amortization . . . . .	2,025,204	1,758,072
Financial Expense . . . . .	416,797	106,647
Provision for Taxes . . . . .	1,279,004	1,622,713
<b>NET INCOME FOR THE PERIOD</b> . . . . .	<b>\$ 1,164,652</b>	<b>\$ 1,445,284</b>
<b>EARNINGS PER COMMON SHARE</b> . . . . .	<b>\$ 0.50</b>	<b>\$ 0.64</b>

## Statement of Source and Application of Funds

For the Six Months Ending June 30

	1970	1969
<b>SOURCE OF FUNDS</b>		
Net Income for the Period . . . . .	\$ 1,164,652	\$ 1,445,284
Non Cash Charges : Depreciation and Amortization . . . . .	2,025,204	1,758,072
Capital Funds Provided . . . . .	4,379,767	1,600,000
<b>TOTAL FUNDS PROVIDED</b> . . . . .	<b>\$ 7,569,623</b>	<b>\$ 4,803,356</b>
<b>APPLICATION OF FUNDS</b>		
Acquisition of Assets . . . . .	\$11,078,131	\$ 6,289,136
Dividends Paid . . . . .	85,198	89,554
<b>TOTAL APPLICATION OF FUNDS</b> . . . . .	<b>\$11,163,329</b>	<b>\$ 6,378,690</b>
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b> . . . . .	<b>\$ (3,593,706)</b>	<b>\$ (1,575,334)</b>



# DOMINION GLASS COMPANY LIMITED

et filiales

## RAPPORT INTÉRIMAIRE AUX ACTIONNAIRES

pour le semestre terminé le 30 juin 1970

Le présent rapport comprend l'état consolidé non vérifié des profits et pertes ainsi que l'état de la provenance et de l'utilisation des fonds pour le semestre terminé le 30 juin 1970, avec chiffres correspondants pour le premier semestre de 1969.

Les ventes du deuxième trimestre de 1970 ont atteint le montant record de \$19,979,177, en augmentation de 18 pour cent sur les ventes de la même période de l'année dernière. Le montant total des ventes pour le semestre terminé le 30 juin 1970 s'est élevé à \$36,514,203, en augmentation de 9.9 pour cent sur la période correspondante de 1969. L'augmentation des ventes de contenants en plastique et la consolidation des ventes de la filiale récemment acquise, National Pressed Glass Limited, ont contribué à cette augmentation des ventes.

Les bénéfices nets après impôt du deuxième trimestre de 1970 sont en augmentation, s'étant élevés à \$951,796, ou 42¢ par action ordinaire, à comparer avec \$790,036, ou 35¢ par action ordinaire pour la même période de 1969. Cette augmentation a compensé la baisse des bénéfices du premier trimestre, de sorte que les bénéfices nets du premier semestre de 1970 se montent à \$1,164,652, ou 50¢ par action ordinaire, à comparer avec \$1,445,284, ou 64¢ par action ordinaire, à comparer avec le premier trimestre de 1970 ont été défavorablement affectés par des hausses importantes des coûts des salaires et des approvisionnements, et par le report au 1er mars, demandé par la Commission des Salaires et des Prix, d'une augmentation de prix prévue pour compenser partiellement la hausse de ces coûts.

L'augmentation des ventes, particulièrement au cours du deuxième trimestre, reflète la capacité de production accrue résultant des récentes dépenses d'investissements. On peut s'attendre à d'autres augmentations des ventes lorsque la nouvelle usine de Bramalea sera mise en activité au cours de l'automne de 1970, et à une augmentation saisonnière des bénéfices du deuxième semestre sur ceux du premier semestre de 1970.

Il a été pourvu au versement des dividendes réguliers sur les actions privilégiées au cours du premier semestre de 1970.

Le président du Conseil,  
W. I. M. TURNER, JR.

Le président et chef de la direction,  
E. A. THOMPSON

## L'état consolidé des profits et pertes (non vérifié)

pour le semestre terminé le 30 juin

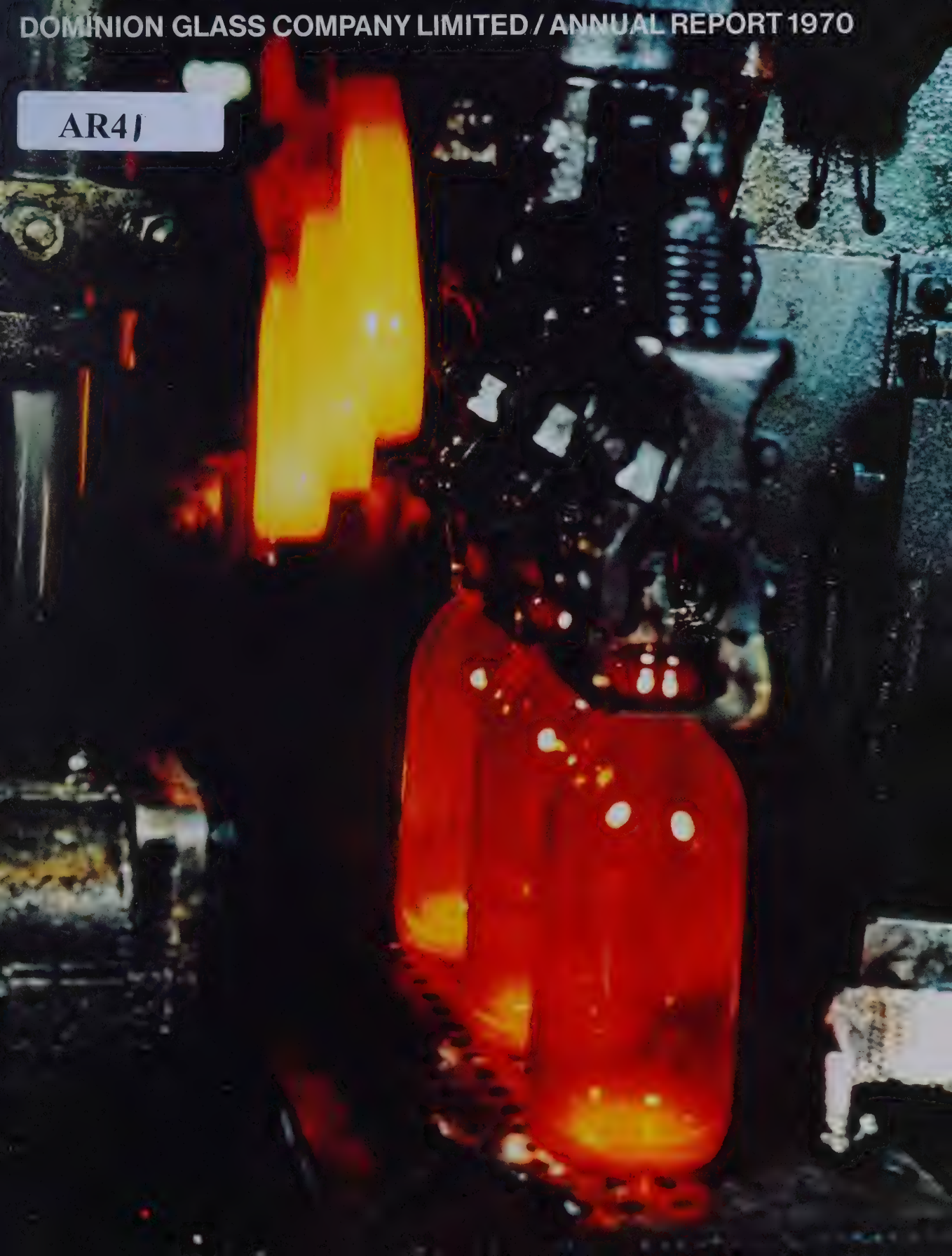
	1970	1969
VENTES . . . . .	\$36,514,203	\$33,229,188
Coût des marchandises vendues . . . . .	\$31,628,546	\$28,296,472
Dépréciation et amortissement . . . . .	2,025,204	1,758,072
Frais de financement . . . . .	416,797	106,647
Provision pour impôts . . . . .	1,279,004	1,622,713
BÉNÉFICES NETS DU SEMESTRE . . . . .	\$ 1,164,652	\$ 1,445,284
BÉNÉFICES PAR ACTION ORDINAIRE . . . . .	\$ 0.50	\$ 0.64

## État de la provenance et de l'utilisation des fonds

pour le semestre terminé le 30 juin

	1970	1969
PROVENANCE DES FONDS		
Bénéfices nets du semestre . . . . .	\$ 1,164,652	\$ 1,445,284
Frais ne requérant pas de déboursés : dépréciation et amortissement . . . . .	2,025,204	1,758,072
Capitaux fournis . . . . .	4,379,767	1,600,000
TOTAL . . . . .	\$ 7,569,623	\$ 4,803,356
UTILISATION DES FONDS		
Acquisition d'immobilisations . . . . .	\$11,078,131	\$ 6,289,136
Dividendes versés . . . . .	85,198	89,554
TOTAL . . . . .	\$11,163,329	\$ 6,378,690
AUGMENTATION (DIMINUTION) DU FONDS DE ROULEMENT . . . . .	\$ (3,593,706)	\$ (1,575,334)

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# DOMINION GLASS COMPANY LIMITED

and subsidiary companies

FINANCIAL HIGHLIGHTS	1970	1969	1968	1967*
Sales . . . . .	\$76,861,499	\$69,655,610	\$65,804,499	\$58,442,657
Net Income Before Income Taxes . . . . .	5,806,010	5,597,392	4,128,452	388,262
Income Taxes . . . . .	3,066,220	3,000,000	2,130,000	160,832
Net Income . . . . .	2,739,790	2,597,392	1,998,452	227,430
Net Income per Common Share . . . . .	1.20	1.14	.85	.02
Capital Expenditures . . . . .	22,948,252	10,241,960	6,866,103	3,325,869
Cash Flow . . . . .	8,957,797	6,774,458	5,551,808	2,070,650
Depreciation . . . . .	2,620,686	2,503,458	1,956,496	1,693,220
Working Capital . . . . .	17,157,881	13,638,808	14,218,902	13,808,764

\* The figures for the calendar year 1967 are unaudited because of a change in the fiscal year end.

## COVER PHOTO

Containers are made three at a time in each of six sections of this triple-gob bottle making machine. Three triple-gob machines, the first of their kind in Canada, are now in operation at the company's new Bramalea, Ontario, plant.

Pour obtenir la version française de ce rapport, il suffit d'écrire au Directeur des Relations Publiques, Dominion Glass Company Limited, 1080 Côte Beaver Hall, Montréal 128, Québec.

APR - 2 1971



## TO THE SHAREHOLDERS

The year ending December 31, 1970 was one of substantial achievement for Dominion Glass Company Limited as a result of the effective contribution of our employees and the support of our customers. The financial and operating results continued to show improvement as detailed in this report.

### SALES

Consolidated net sales of the company in 1970 totalled \$76,861,499, which were \$7,205,889 or 10.3% higher than the 1969 sales of \$69,655,610. This increase, while aided by the acquisition of National Pressed Glass Limited on January 1, 1970, and by a very satisfactory growth in the sale of plastic containers, was largely the result of increased glass container sales. This increase was realized despite the activity of new competitive glass container plants in British Columbia and New Brunswick and some adverse effect on sales in British Columbia because of the confusion caused by legislative action concerning soft drink and beer containers.

The British Columbia legislation which became partially effective August 15, 1970, became fully effective January 1, 1971, by placing a mandatory refund of 2¢ on all beer and soft drink cans, bottles, or plastic containers. Beer and ale are sold primarily in returnable bottles and this legislation will have little effect on the company's sales to the brewing industry. In the soft drink industry, we expect that some of the loss of one trip bottle volume will be replaced by returnable bottle volume, but at this time the market is confused by the disruptive effect of the legislation.

### NET INCOME

Net income after tax in 1970 was \$2,739,790 which was equivalent to \$1.20 per common share compared with \$2,597,392 and \$1.14 per share in 1969.

### CAPITAL EXPENDITURES

Expenditures on capital and plant improvement projects in 1970 of \$22,948,252 were the largest in the company's history. Of this amount, \$18,229,089 was for the large new glass container plant at Bramalea, Ontario. This plant was started up ahead of schedule and was below budgeted cost as a result of an outstanding effort by all company personnel involved.

Among other projects undertaken in 1970 was the installation in Wallaceburg, Ontario, of specialized facilities to supply high quality glass containers to the cosmetic and pharmaceutical industries. At year end, work was progressing on approved appropriations totalling \$2,753,000. Capital expenditures will return to a more normal level in 1971.

### FINANCIAL COMMENTS

During the past three years, the company has spent over \$40,000,000 increasing its productive capacity and modernizing facilities. The financing of these projects was accomplished with internally generated funds and short term bank loans. In December, 1970 the company issued sinking fund debentures in the amount of \$25,000,000. The proceeds were applied to the reduction of bank debt and added to the general funds of the company.

Working capital rose \$3,519,073 to \$17,157,881 during the year as our improved productive capacity enabled us to increase inventories to a more satisfactory level to provide better market service. There was also a temporary increase in accounts receivable at the year end caused by an unusually heavy increase in sales in the month of December.

Deferred charges increased substantially during the year. This was partially the impact of the furnace rebuild program as these costs are amortized over the life of the furnaces. In ad-



# DOMINION GLASS COMPANY LIMITED

and subsidiary companies

dition, normal practice was followed in deferring some of the Bramalea start-up costs for write off during the first three years of the new plant's operation. Deferred costs also include the costs of the debenture issue in late 1970.

The regular dividends of 70 cents per share were paid on the preferred shares during 1970. Dividends were resumed on the common shares with payments of 10 cents per share on September 30, 1970, and 10 cents per share on December 31, 1970.

## COSTS AND PRICES

Since the glass container industry is highly labour intensive, the effect of recent major increases in wage rates and employee benefit costs is particularly serious. In common with other industries, such increases occurred at all of our plants in 1970 either as the result of provisions in the second year of two year labour contracts or as a result of negotiations conducted during the year. As stated in previous reports, we have made marked progress in recent years in improving our labour utilization through modernization of facilities and improved operating techniques. A further reduction of 8% in the number of manhours required per unit produced was achieved in 1970. However, the increases in wage rates plus additional increases in the cost of materials and services cannot be totally offset by improved productivity, and price increases on some products were announced effective February 1, 1970. This effective date was deferred to March 1, 1970 in cooperation with the government's wage and price restraint program, and at some penalty to the company's profitability.

## RESEARCH AND DEVELOPMENT

A program is underway to consolidate our technical staff and facilities in a new central Applied Research and Development Department at Bramalea.

Dr. George Simmons has been appointed Technical Director for the company, and his training and background in glass chemistry and the glass industry in the United States is a strong addition to our management skills.

## BOARD OF DIRECTORS

During 1970, Mr. H. M. Turner retired after serving as a Director of the company for sixteen years. Mr. Paul E. Martin was elected to the Board to replace Mr. Turner. Mr. W. I. M. Turner, Jr. resigned as Chairman of the Board in February, 1971 but will continue as a Director. Mr. Paul Britton Paine, Q.C. was elected Chairman of the Board.

On behalf of the Board,

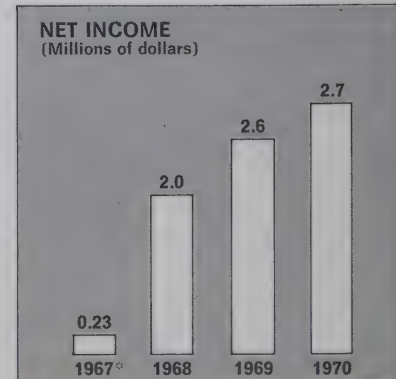
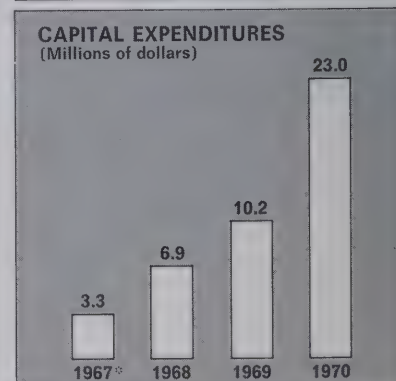
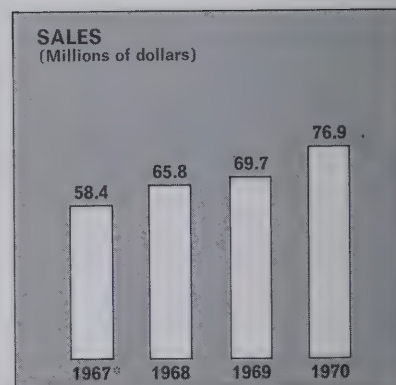
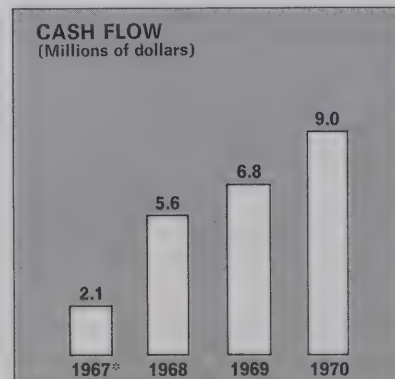


Paul Britton Paine, Q.C., Chairman



E. A. Thompson, President

February 25, 1971.



\*The figures for the calendar year 1967 are unaudited because of a change in the fiscal year end.

## ENVIRONMENTAL PROGRAMS

The continued increase in population, the demand for high quality in the preparation and packaging of foods, beverages, and other products, and the increased demand for convenience by the purchasing public, have brought about an increase in the volume of all types of packaging. Dominion Glass Company Limited as a member of the packaging industry recognizes that this can be in conflict with the need to protect the quality of our environment and to cope with the increasing volume of waste produced by our communities.

The glass container manufacturing industry through its trade associations, the Glass Container Council of Canada and the Glass Container Manufacturers Institute, Inc., in the United States have been packaging industry pioneers for many years in the development and execution of programs to preserve environmental quality. Dominion Glass Company Limited through active participation in both of these industry efforts, and directly as a company, has been deeply involved in such programs. This involvement has led us to the following conclusions.

There is an urgent need to search out the real nature of our problems based on facts rather than to propose solutions based on rumour or emotion. Unreasonable or precipitous actions can destroy other human values, jobs, or communities by placing a discriminatory penalty on a portion of the public or the economy without an appreciable gain in the total public good. We believe that the quality of the environment can be best improved by perfecting the technology for dealing with the problems rather than by slowing down technical and industrial progress or deflating or decreasing our standard of living.

As a company, we recognize the need to solve the present problem of littering and the growing problem of solid waste disposal and that some of our products, after use by consumers, can contribute to these problems. It should be recognized that based on all available data, our products are only a minor part of both problems, and therefore practical, long term solutions must be founded on a broader approach than action against any one product or group of products. To acquiesce to pressure for short term simplistic solutions will neither solve the problems nor get at the real cause. We believe citizens and governments genuinely interested in conservation and the environment must be as construc-

tive and responsible in their approach to these problems as we in industry are prepared to be.

Because of the rising public and political interest in ecological and environmental matters, it is timely to restate some of our policies and to review some of our actions in these fields. Dominion Glass Company Limited is firmly dedicated to the following concepts and programs to reduce the littering and solid waste disposal problems:

### LITTERING

Littering is a problem of the behaviour of some people and it can only be corrected by positive programs designed to change that behaviour. Such programs have been effective in Canada, for example at EXPO 67 and in other communities and in countries such as Switzerland. Littering will not be corrected by programs designed merely to change the nature of the objects available to be littered. The major segments of an effective program would be the following:

- (1) Educational programs must be designed to convince individuals that littering is socially unacceptable. There should be frequent reminders to not litter and to pick up litter. Our industry has actively carried out such programs and is constantly encouraging additional community and government involvement in anti-littering education.
- (2) Sufficient litter receptacles, properly serviced, are required on streets, highways, and in public places.
- (3) Practical and adequate anti-littering laws should be enacted and rigidly enforced. We have presented model legislation for the consideration of legislators.
- (4) Additional study is required to thoroughly understand the nature of the littering problem and the most effective method of changing the behaviour of people who litter.

### SOLID WASTE DISPOSAL

While the solution to the problem of littering is to influence the behaviour of some people through education and law enforcement, the approach to the solid waste disposal problem must be one of systems and technology. The most effective long range solution to the solid waste problem lies in the salvage and recycling of a large per-

centage of the components of refuse in the most economical manner possible. We are participating in this solution as follows:

- (1) The initiation through cooperation with government and other industries of the development of technology needed to establish economic methods of waste collection and processing based upon the reclamation and recycling of all possible materials. To this end, the Glass Container Council of Canada has announced financial and technical support for a prototype waste disposal and reclamation system being developed by Dr. R. H. Clark and Dr. J. H. Brown of Queen's University in cooperation with the City of Kingston.
- (2) The continued operation of bottle reclamation and recycling programs at glass manufacturing plants throughout Canada, and investigation of ways and means of economically extending this program to other locations. The objectives of this program are to produce a meaningful volume of used container glass for development of glass recycling projects and the manufacture of secondary products from waste glass, to provide individuals and community groups in areas near glass container plants with an opportunity to participate in the reclamation and recycling effort, and to provide a practical example of the concept of recycling.
- (3) The continuation of our present program of developing the technology of recycling the maximum possible volume of used container glass back through the glass container manufacturing process.
- (4) The continuation of our present involvement in industry research to develop secondary products using waste container glass, such as the road paving program using waste glass in "Glasphalt", and the experimental manufacture of various types of building materials.
- (5) The continued monitoring of new developments in reclamation and recycling of materials throughout the world, and a program to improve public and government understanding of these opportunities.

We believe that only through this kind of "Aggressive Ecology" can we find positive solutions to the problems of littering and solid waste disposal.

**DOMINION GLASS COMPANY LIMITED**

and subsidiary companies

**CONSOLIDATED BALANCE SHEET — ASSETS**

as at 31 December 1970

	1970	1969
Current:		
Cash . . . . .	\$ 85,743	\$ 348,678
Accounts receivable . . . . .	8,150,076	5,614,518
Prepaid expenses . . . . .	756,860	826,792
Manufactured products, materials and supplies, valued at cost or net realizable value, whichever is the lower . . . . .	<u>20,327,552</u>	<u>17,159,760</u>
	<u>29,320,231</u>	<u>23,949,748</u>
 Due under stock purchase plan — note 2 . . . . .	 333,209	 289,475
 Fixed:		
Real estate, buildings and equipment, at cost . . . . .	79,972,630	58,548,954
Less: Accumulated depreciation (including depletion of \$139,297) . . . . .	<u>33,375,358</u>	<u>30,860,151</u>
	<u>46,597,272</u>	<u>27,688,803</u>
 Deferred charges, less amortization — note 3 . . . . .	 5,522,045	 2,593,902
	<u><u>\$81,772,757</u></u>	<u><u>\$54,521,928</u></u>

On behalf of the Board: Paul Britton Paine, Q.C., Director; E.A. Thompson, Director



## CONSOLIDATED BALANCE SHEET — LIABILITIES

as at 31 December 1970

1970

1969

Current:		
Bank indebtedness . . . . .	\$ 3,384,807	\$ 700,000
Accounts payable and accrued charges . . . . .	8,377,634	8,295,037
Preferred dividend payable . . . . .	41,535	43,844
Taxes payable . . . . .	358,374	1,272,059
	<u>12,162,350</u>	<u>10,310,940</u>
Long-term debt — note 4 . . . . .	25,603,994	5,064,230
Deferred income taxes . . . . .	7,300,000	4,780,000

## SHAREHOLDERS' EQUITY

Capital: — note 5

Authorized —

260,000 — 7% cumulative preferred shares, par value \$10 — note 5

2,500,000 — common shares of no par value

Issued

237,340 — preferred shares . . . . .	2,373,400	2,505,350
2,158,174 — common shares . . . . .	4,676,366	4,344,650
	<u>7,049,766</u>	<u>6,850,000</u>
Retained earnings — note 6 . . . . .	29,656,647	27,516,758
	<u>36,706,413</u>	<u>34,366,758</u>
	<u>\$81,772,757</u>	<u>\$54,521,928</u>

**DOMINION GLASS COMPANY LIMITED**

and subsidiary companies

**STATEMENT OF CONSOLIDATED INCOME**

for the year ended 31 December

	1970	1969
Sales . . . . .	\$76,861,499	\$69,655,610
Cost of goods sold, selling, general and administrative expenses — note 7 . . . . .	68,277,867	61,300,499
	8,583,632	8,355,111
Depreciation . . . . .	2,620,686	2,503,458
Interest and discount on long term debt — note 8 . . . . .	156,936	254,261
	2,777,622	2,757,719
Net income before provision for income taxes . . . . .	5,806,010	5,597,392
Provision for income taxes		
Current . . . . .	546,220	1,420,000
Deferred . . . . .	2,520,000	1,580,000
	3,066,220	3,000,000
Net income for the year . . . . .	\$ 2,739,790	\$ 2,597,392
Net income per common share . . . . .	\$1.20	\$1.14

**STATEMENT OF CONSOLIDATED RETAINED EARNINGS**

as at 31 December 1970

	1970	1969
Balance at January 1 . . . . .	\$27,516,758	\$25,096,713
Net income for the year . . . . .	2,739,790	2,597,392
	30,256,548	27,694,105
Dividends		
Common . . . . .	431,612	—
Preferred . . . . .	168,289	177,347
Balance at December 31 . . . . .	\$29,656,647	\$27,516,758



## STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

for the year ended 31 December

1970

1969

### Source of funds:

#### Funds provided from operations:

Net income for the year . . . . .	\$ 2,739,790	\$ 2,597,392
Non-cash items included in income		
Depreciation . . . . .	2,620,686	2,503,458
Deferred income taxes . . . . .	2,520,000	880,000
Amortization of deferred charges . . . . .	1,077,321	793,608
	<u>8,957,797</u>	<u>6,774,458</u>
Proceeds from issue of 9½% Sinking Fund Debentures . . . . .	24,294,802	—
Loan payable . . . . .	—	3,364,230
	<u>33,252,599</u>	<u>10,138,688</u>

### Application of funds:

Invested in plant and equipment . . . . .	20,909,299	7,799,902
Repayment of loans payable . . . . .	4,803,945	—
Increase in deferred charges . . . . .	3,153,427	2,452,058
Dividends . . . . .	599,901	177,347
Net outlay of funds re acquisition of subsidiary . . . . .	223,220	—
Increase in amounts due under stock purchase plan . . . . .	43,734	289,475
	<u>29,733,526</u>	<u>10,718,782</u>
Increase (decrease) in working capital . . . . .	<u>\$ 3,519,073</u>	<u>\$ (580,094)</u>

### AUDITORS' REPORT

To the Shareholders of Dominion Glass Company, Limited

We have examined the consolidated balance sheet of Dominion Glass Company, Limited and subsidiary companies as at December 31, 1970 and the statements of consolidated income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company and its subsidiaries as at December 31, 1970, and the results of their operations and the source and application of funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Montreal, Quebec  
February 24, 1971

*Touche Ross & Co*  
Chartered Accountants

**DOMINION GLASS COMPANY LIMITED**  
and subsidiary companies

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

31 December 1970

**1. Principles of Consolidation**

The consolidated financial statements include the accounts of Dominion Glass Company, Limited and of all its subsidiary companies. The results of the operations of National Pressed Glass Limited have been included in the financial statements from the effective date of its acquisition which was January 1, 1970.

**2. Stock Purchase Plan**

Pursuant to the provisions of special by-law "B" funds were advanced during the years 1969 and 1970 to the Trustee under the plan for the purchase in the open market of 14,137 and 6,860 common shares of the Company respectively for the account of certain employees. Payment for these shares is being made by the said employees in annual instalments of not less than 10% of the aggregate purchase price. The Trustee holds these shares as collateral for the unpaid balance.

	1970	1969
Major equipment rebuilds . . . . .	\$3,571,518	\$2,593,902
Preproduction and start-up costs . . . . .	1,114,475	—
Debt discount and expenses . . . . .	703,898	—
Excess of cost of shares in subsidiary over net book value at date of acquisition . . . . .	132,154	—
	<u>\$5,522,045</u>	<u>\$2,593,902</u>

The costs relating to the preproduction and start-up of the Bramalea plant will be charged to income over three years of operations commencing January 1, 1971.

	December 31, 1970	1969
Bank loan (unsecured)—(at rate of interest pegged to the prime borrowing rate) . . . . .		\$5,064,230
Sinking fund debentures—Series A, 9½% maturing December 15, 1990 . . . . .	\$25,000,000	—
Subsidiary companies . . . . .	693,660	—
Less: Amounts due in one year . . . . .	89,666	—
	<u>603,994</u>	<u>—</u>
Total long term debt . . . . .	<u>\$25,603,994</u>	<u>\$5,064,230</u>

The 9½% Sinking Fund Debentures, Series A are secured by a floating charge on the properties and assets of the Company. A sinking fund of \$1,000,000 in each of the years 1976 to 1979 and \$1,250,000 from 1980 to 1989 inclusive is required to retire these debentures.

**5. Capital Stock**

**CONVERSION RIGHTS**

The holder of each of the 7% preferred shares has the right to convert to common shares of the Company at any time prior to December 29, 1977 on the basis of one fully paid common share for each share held. At December 31, 1970 237,340 common shares of the Company were reserved for this purpose.

December 31	1970		1969	
	Shares	Book Value	Shares	Book Value
<b>COMMON SHARES</b>				
Outstanding at beginning of period . . . . .	2,134,465	\$4,344,650	2,126,030	\$4,260,300
Conversion of 7% preferred shares . . . . .	13,195	131,950	8,435	84,350
Issued as part consideration for the common shares of National Pressed Glass Limited . . . . .	10,514	199,766	—	—
Outstanding at end of period . . . . .	<u>2,158,174</u>	<u>\$4,676,366</u>	<u>2,134,465</u>	<u>\$4,344,650</u>

**OPTION**

The Company has granted an option to purchase 10,000 common shares at a price of \$20.50 per share. This option may be exercised in whole or in part at any time up to June 30, 1973.

**6. Retained Earnings**

Under the terms of the Trust Deed securing Sinking Fund Debentures, Series A there are certain restrictions on the amount of retained earnings available for distribution as dividends. As at December 31, 1970 the amount available for dividend declaration was \$2,499,503.

**7. Remuneration of Directors and Senior Officers**

Included in the charge against income is the total remuneration to twelve directors and ten senior officers of \$29,675 and \$361,062 respectively. There is one officer who is also a director.

**8. Capitalized Interest**

Interest charges of \$781,195 on money borrowed for the new Bramalea plant during the period of its construction have been capitalized.

**9. Past Service Pension Costs**

The Company recently improved the benefits under its pension plan with retroactive effect for past service of salaried employees and an actuarial evaluation of the cost of the increase in benefits is in process of completion. It is estimated that this unfunded liability totals \$835,000 and it will be paid into the pension fund in equal annual instalments during the next twenty years.

**10. Commitments**

Unexpended balance of approved capital expenditure appropriation at December 31, 1970 and December 31, 1969 amounted to \$2,753,000 and \$21,600,000 respectively.

## **DIRECTORS**

Roland Chagnon  
*President*  
*Lallemand Inc.*

H. Roy Crabtree  
*Chairman and President*  
*Wabasso Limited*

R.A. Irwin\*  
*Chairman and Chief Executive Officer*  
*Consolidated-Bathurst Limited*

Herbert H. Lank  
*Director*  
*DuPont of Canada, Limited*

Paul E. Martin\*  
*Vice-President*  
*Power Corporation of Canada, Limited*

Paul Britton Paine, Q.C.\*  
*Vice-President and General Counsel*  
*Power Corporation of Canada, Limited*

Jean Parisien, C.A.\*  
*President*  
*Power Corporation of Canada, Limited*

E.A. Thompson\*  
*President and Chief Executive Officer*  
*Dominion Glass Company Limited*

Peter N. Thomson  
*Deputy Chairman*  
*Power Corporation of Canada, Limited*

William I.M., Turner, Jr.\*  
*President*  
*Consolidated-Bathurst Limited*

John R. Yarnell  
*Vice-President*  
*Consolidated-Bathurst Limited*

## **EXECUTIVE OFFICERS**

Paul Britton Paine, Q.C.  
*Chairman*

E.A. Thompson  
*President and Chief Executive Officer*

E.G. Blyth  
*Vice-President*  
*Finance and Administration, Treasurer*

W.H. Shotton  
*Vice-President*  
*Manufacturing*

J.E. Souccar  
*Vice-President*  
*Marketing*

T.B. King  
*Secretary*

## **TRANSFER AGENT**

The Royal Trust Company  
*Montreal and Toronto*

## **REGISTRAR**

Bank of Montreal  
*Montreal and Toronto*

## **AUDITORS**

Touche Ross & Co.  
*Chartered Accountants*

\* Members of the Executive Committee

